



U.S. Department of Justice

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December 9, 2008

NEWS SUMMARY

**Six Individuals Agree To Plead Guilty In Connection With Kickback Scheme
Which Defrauded S.C. Johnson & Son, Inc.**

United States Attorney Steven M. Biskupic announced today that six individuals agreed to enter pleas of guilty in connection with a transportation kickback scheme which resulted in the theft of millions of dollars from Racine-based consumer products manufacturer S.C. Johnson & Son, Co., Inc. ("SCJ"). An Information and 6 plea agreements were filed in United States District Court, Milwaukee. The Information charges 5 of the individuals with heading, carrying out, or helping to carry out the scheme, and another person with helping to cover it up. One of the defendants is also charged with violating federal tax laws. The charges carry maximum possible penalties ranging from three to twenty years imprisonment, and up to \$250,000 in fines.

The persons charged include two former employees of the SCJ transportation department – Milton E. Morris, 68, now living in Florida, and Katherine Scheller, 51, of Racine, Wisconsin. The other four persons charged owned trucking companies that did business with SCJ during the operation of the scheme, including Thomas R. Russell, 68, now living in Florida, who owned JMP Trucking of Racine; and Peter K. O'Malley, 63, also of Florida; Michael A. Rivett, 49, of Menomonee Falls, Wisconsin; and Patrick Kane, 42, of Menomonee Falls, Wisconsin, who owned VanTraxx Trucking of Menomonee Falls.

The plea agreements state that Morris, formerly head of the SCJ transportation department in Racine until the scheme was discovered in October, 2004, took millions of dollars in cash kickbacks from SCJ trucking company vendors who, with Morris's help, stole money from SCJ by submitting inflated invoices for transportation services. Morris approved these inflated invoices so that he would get kickbacks. The plea agreements further state that Scheller, who was Morris's deputy in the SCJ transportation department, failed to report her knowledge of the scheme while benefitting from it. Eventually Morris was paid several million dollars in kickbacks from three trucking company vendors who had done business with SCJ.

The plea agreements further state that SCJ has been paid complete restitution by some of the defendants, and more remains to be paid from other defendants.

The United States Postal Inspection Service and the Criminal Investigations Division of the Internal Revenue Service continue to investigate the underlying fraud scheme. Anyone wishing to provide information concerning this ongoing investigation should contact the Milwaukee Office of the Postal Inspection Service at 414-287-2200.

This case was assigned to Assistant United States Attorney Stephen A. Ingraham.

For more information contact:

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